



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

DATE: 12/13/00  
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## CORPORATION COMMISSION SANCTIONS AHWAUTUKEE COUPLE

PHOENIX – The Arizona Corporation Commission today penalized Merle and Jeanne Amundson of Ahwatukee for violating the Arizona Securities Act in the sale of over \$1,750,000 of stock. They were fined \$10,000 in the action.

According to the Order, between January 1997 and October 1999, the Amundsons were officers or directors of M.G. Gold, Inc., now known as Xenolix Technologies, Inc. The Amundsons sold M.G. Gold stock without registering the shares or providing the required disclosures. Xenolix owns property in Northern Arizona with cinder piles purportedly containing valuable deposits of precious metals. Commercial quantities of precious metals never have been recovered from the material. Despite several failed attempts to extract precious metals, the company issued a number of press releases suggesting that they would soon be successful. None of this information was filed with the Securities Division nor was an application for registration ever received on the stock offering. The Amundsons are no longer affiliated with Xenolix.

The Commission also ordered the Amundsons to permanently cease and desist from violations of the Securities Act. The Commission is continuing to investigate the company and its agents. The Amundsons have agreed to cooperate in this ongoing investigation.

Arizona Corporation Commission Chairman Carl Kunasek stated that during his tenure on the Commission, "I have seen numerous cases in which people got ripped off in one mining deal or another. Arizona investors should be wary of anyone touting new methods of extracting precious metals – what they seem adept at extracting is money from investors, not gold or silver."

Mark Sendrow, Director of the Arizona Corporation Commission's Securities Division reminds the public that "The Securities Act requires registration and/or an applicable exemption for all investment, stock or promissory note offerings within the State. Mining interests are securities and we will continue cracking down on these cases." The public can contact the Division regarding registration requirements for securities offerings at (602) 542-4242, toll free at 1-877-811-3878, or visit the Division website at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

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